

Commonly asked questions on overpayments of unemployment insurance and your income taxes

Question #1: I received unemployment insurance, then it was determined I was overpaid. How is that reported to the Internal Revenue Service?

Answer: We send the total amount of unemployment compensation paid to you and others on your behalf for the year, including any Child Support and taxes, to the Internal Revenue Service even if an overpayment was later established. You are responsible for deducting any cash repayments you have sent to the Unemployment Insurance Division towards the overpayment. The net result is the total amount of unemployment compensation received in 2008. Refer to instructions in your Form 1040 booklet under the heading "Line 19 - Unemployment Compensation" or Form 1040 EZ, Line 3: "Unemployment Compensation"

Question #2: Do I deduct offsets taken from my unemployment check?

Answer: Offsets taken from your unemployment check by our agency have already been deducted from the amount of unemployment compensation we reported for you to the Internal Revenue and included on your Form 1099-G. Do not report offsets taken from checks as repayments.

Question #3: How do I report my repayments when I'm filing my taxes?

Answer: If you received an overpayment of unemployment compensation paid in 2008 and you repaid any of it by check or money order, subtract the amount you repaid in 2008 (shown on the attached letter) from the total amount received as shown on your 1099-G. Enter the result on the appropriate line of your 1040 tax form. Also, enter "Repaid" and the amount you repaid on the dotted line next to line 19.

Question #4: What if my overpayment was from a prior year and my repayments were made this year?

Answer: If, in 2008, you repaid unemployment compensation that was included in your gross income from an earlier year, you may deduct the amount on Schedule A. Refer to instructions in your Form 1040 booklet.

Question #5: I didn't get or can't find the 1099-G you sent. Can I get another?

Answer: You can go on-line to UI4U.mt.gov to view and print a copy of your 1099-G. Or, you can call our toll-free IVR number, 1-800-207-0667, to get the amount shown on your form. Use your IVR PIN# to access the information either on-line or via the IVR. Since you do not need to submit the 1099-G to IRS, this will give you the information needed.

Questions #6: I have a question about my unemployment insurance overpayment or wish to repay the amount owing? Who do I call?

Answer: Our UI Benefit Overpayments staff is happy to answer your overpayments questions and work with you to repay the amount due. Please call (406) 444-3783.